

AN ACT

ENTITLED, An Act to require the disclosure of information to prospective enrollees of managed care plans.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. This Act applies to any health carrier who offers a managed care plan as defined in §§ 58-17-91 and 58-18-64.

Section 2. Any health carrier shall provide to any prospective enrollee written information describing the terms and conditions of the plan. If the plan is described orally, easily understood, truthful, objective terms shall be used. All written plan descriptions shall be readable, easily understood, truthful, and in an objective format. The format shall be standardized among each plan that a health carrier offers so that comparison of the attributes of the plans is facilitated. The following specific information shall be communicated:

- (1) Coverage provisions, benefits, and any exclusions by category of service, provider, and if applicable, by specific service;
- (2) Any and all authorization or other review requirements, including preauthorization review, and any procedures that may lead the patient to be denied coverage for or not be provided a particular service;
- (3) The existence of any financial arrangements or contractual provisions with review companies or providers of health care services that would directly or indirectly limit the services offered, restrict referral, or treatment options;
- (4) Explanation of how plan limitations impact enrollees, including information on enrollee financial responsibility for payment of coinsurance or other non-covered or out-of-plan services;
- (5) A description of the accessibility and availability of services, including a list of providers participating in the managed care network and of the providers in the network who are

accepting new patients, the addresses of primary care physicians and participating hospitals, and the specialty of each provider in the network; and

- (6) A description of any drug formulary provisions in the plan and the process for obtaining a copy of the current formulary upon request. There shall be a process for requesting an exception to the formulary and instructions as to how to request an exception to the formulary.

Section 3. Nothing in this Act applies to dental only, vision only, accident only, school accident, travel, or specified disease plans or plans that primarily provide a fixed daily, fixed occurrence, or fixed per procedure benefit without regard to expenses incurred. The provisions of this Act only apply to oral or written communications specifically designed to elicit an application for insurance.

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I certify that the attached Act
originated in the

SENATE as Bill No. 235

Secretary of the Senate
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President of the Senate

Attest:

Secretary of the Senate

Speaker of the House

Attest:

Chief Clerk

Senate Bill No. 235

File No. _____

Chapter No. _____

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Received at this Executive Office
this _____ day of _____ ,

19____ at _____ M.

By _____
for the Governor
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The attached Act is hereby
approved this _____ day of
_____, A.D., 19____

Governor

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STATE OF SOUTH DAKOTA,
ss.
Office of the Secretary of State

Filed _____, 19____
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State